

Service Date: June 7, 1988

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of GREAT FALLS GAS COMPANY, for)	
Authority to Increase Rates and)	DOCKET NO. 87.7.37
Charges for Natural Gas Service.)	ORDER NO. 5313b

ORDER ON RECONSIDERATION

On April 29, 1988, the Montana Public Service Commission issued Order No. 5313a in this Docket, as a Final Order closing this Docket, as well as the consolidated proceedings in Docket Nos. 86.11.62(5), 86.8.38, and 86.12.75.

On May 10, 1988, the Great Falls Gas Company (GFG or Company) filed a Motion for Reconsideration concerning the following issues disposed of by Order No. 5313a:

- a) Special Service Tariffs
- b) Tariff Implementation
- c) Transportation Service

No response or objection to this Motion for Reconsideration was filed by any other party to this proceeding.

SPECIAL SERVICE TARIFFS

In its Motion, the Company urged the Commission to reconsider its decision denying the Company the right to implement a reconnection charge of \$15. The Company did not quarrel with the Commission's concerns for the impacts of such a charge on lower income ratepayers, but rather argued that the request for such a charge related "more to a need for a deterrent to those customers who have ability to pay but will, in an effort to save the customer charge during the summer, terminate service every year in the spring and reconnect in the fall."

As an alternative, the Company proposed implementing a revised reconnect charge "which is applicable only to seasonal customers who voluntarily terminate service in the spring and reconnect at the same service location in the fall."

The Commission accepts and approves the revised reconnect charge as proposed by the Company in its Motion for Reconsideration. It is important that the customer receive an appropriate price signal of the real costs of requesting such a seasonal termination and reconnection of service. The Company's proposal adequately addresses the Commission's primary concern relating to the impacts upon ratepayers that already have a difficult time paying their utility bills.

GFG's Motion for Reconsideration of the Special Service Tariffs determination is, therefore, Granted.

TARIFF IMPLEMENTATION

In Order No. 5313a, the Commission ordered the Company to reduce the balance in the NIP account to refund to ratepayers the deferred amount of the MPC rate decrease provided for in Docket No. 87.11.63. In its Motion, the Company agrees that this is a convenient and appropriate method of refunding these revenues to the ratepayer. However, the Commission also required the Company to adjust the NIP adders to reflect the reduced NIP balance contemporaneous with the filing of tariffs implementing Order No. 5313a. The Company indicates that at the close of its fiscal year, July 30, 1988, the Company will be able to calculate the available tax credit which will also serve as a deduction to the NIP account balance. Rather than make two adjustments to the NIP account balance, the Company proposes to make only one adjustment which reflects both the MPC deferral and the available tax credit. The amount of the tax credit will be known with certainty in early August, 1988.

The Commission accepts the Company's proposal for tariff implementation in its Motion for Reconsideration. The Company shall delay reducing the balance in the NIP account by the deferred amount of the MPC rate decrease until such time as the available tax credit is known. Both reductions to the NIP account balance shall be made simultaneously, and the Company shall make one adjustment to the NIP adder to reflect this change.

GFG's Motion for Reconsideration of the Tariff Implementation determination is, therefore, Granted.

TRANSPORTATION SERVICE

In Order No. 5313a, the Commission reviewed the Company's proposed Transportation Tariff (See para. 43, Order No. 5313a). In that discussion, the Commission noted its belief that, under the Company's proposal, "special contract" customers would not be able to receive transportation service.

In its Motion for Reconsideration, the Company seeks only clarification of the Commission's order on this point. The Company indicates that it "intended to have the option of providing transportation services to any of its customers," including "special contract" customers. Rather than provide transportation services under the approved tariff, the Company states that these customers would be served under "amendments to the special contracts." In its Motion for Reconsideration, the Company states that it "seeks clarification of the Commission order" allowing it to serve "Special Contract" customers by contract amendment (apparently with a subsequent tariff filing reflecting such an amendment).

When Order No. 5313a was issued, the Commission believed that transportation service would be available only under the terms of the filed TS tariff. As the Company is well aware, the issue of providing transportation services for natural gas end users is a controversial and complex topic, currently before this Commission in several pending Dockets. Until such time as the various issues attendant with this topic can be thoroughly considered and

reviewed, the Commission would be hesitant to allow such services to be provided without some Commission direction and input.

To clarify paragraph No. 43 of Order No. 5313a, the Commission intended that transportation service would only be available to General Service customers, and only under the terms of the TS tariff. Thus, it was the Commission's belief that "Special Contract" customers would not be able to receive such service.

CONCLUSIONS OF LAW

1. The Great Falls Gas Company furnishes electric service to consumers in Montana, and is a "public utility" under the regulatory jurisdiction of the Montana Public Service Commission. 69-3-101, MCA.

2. The Commission properly exercises jurisdiction over the GFG's rates and operations. 69-3-102, MCA and Title 69, Chapter 3, Part 3, MCA.

3. The Commission has provided adequate public notice of all proceedings and opportunity to be heard to all interested parties in this Docket. Title 2, Chapter 4, MCA.

ORDER

1. GFG's Motion to Reconsider the Special Service Tariffs issue is GRANTED.

2. GFG's Motion to Reconsider the Tariff Implementation issued is GRANTED.

3. Clarification is provided to the Company regarding the Commission's determination in paragraph No. 43, Order No. 5313a. See Findings of Fact Nos. 11-14.

4. All motions and objections not ruled upon are denied.
Done and Dated this 6th day of June, 1988 by a vote of 3-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Carol Frasier
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review in this matter. Judicial review may be obtained by filing a petition for review within thirty (30) days of the service of this order. Section 2-4-702, MCA.